

Part D formularies

ISSUE: The Medicare drug benefit allows plans to develop and use formularies to manage the cost and use of prescription drugs. At the start of the Medicare drug benefit, what do the formularies look like?

KEY POINTS:

All PDPs and MA-PDs participating in the new Medicare drug benefit use formularies to designate the coverage and tiered cost-sharing status of outpatient drugs.

We review statutory and regulatory standards for Part D formularies and present some descriptive analyses of the formularies that PDPs and MA-PDs submitted to CMS for the launch of the Medicare drug benefit. Our analysis includes examination of formulary structure, size, and use of utilization management tools. This preliminary study provides a baseline to track changes in plan formularies over time.

For this work, researchers at the National Opinion Research Center and Georgetown University examined all the formularies submitted to CMS for use on January 1, 2006.

ACTION: Staff will present preliminary results from this research in preparation for inclusion in a chapter on Part D in the June 2006 report.

STAFF CONTACT: Cristina Boccuti (202-220-3705)